# UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

# MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109<sup>th</sup> Congress <sup>1</sup>

[Date approved: January 30, 2006]<sup>2</sup>

Bill No. and sponsor: H.R. 3391 (Mr. Jim Ryun, Kansas).

**Proponent name, location:** Payless ShoeSource®, Topeka, KS.

Other bills on product (109th Congress only): None.

**Nature of bill:** Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

9902.64.21 Footwear with outer soles of leather or composition leather and uppers of textile

materials, valued over \$2.50 per pair, the foregoing other than for men or women

(provided for in subheading 6404.20.40).

**Check one**:  $\underline{x}$  Same as that in bill as introduced.

Different from that in bill as introduced (see Technical comments section).

#### Product information, including uses/applications and source(s) of imports:

The bill covers shoes, other than for men or women, that have outer soles of leather or composition leather and uppers of textile materials, are valued over \$2.50 per pair, and are not over 50 percent by weight of rubber or plastics and not over 50 percent by weight of textile materials and rubber or plastics with at least 10 percent by weight being rubber or plastics (statistical reporting number 6404.20.4090).

The subject footwear accounted for only 1 percent of dutiable U.S. imports under HTS subheading 6404.20.40, which totaled \$259.4 million in 2004. China was the leading supplier in 2004, followed by Italy, Spain, and Brazil.

<sup>&</sup>lt;sup>1</sup> Industry analyst preparing report: Laura Rodriguez (202-205-3499); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>&</sup>lt;sup>2</sup> An electronic copy of this memorandum is available at <a href="http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm">http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm</a>.

#### **Estimated effect on customs revenue:**

HTS subheading <u>6404.20.40</u>								
$\bigg\rangle$	2005	2006	2007	2008	2009			
Col. 1-General rate of duty	10%	10%	10%	10%	10%			
Estimated value <i>dutiable</i> imports <u>1</u> /	\$3,900,000	\$3,900,000	\$3,900,000	\$3,900,000	\$3,900,000			
Customs revenue loss	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000			

<sup>&</sup>lt;u>1</u>/ No data are included on imports now entering free of duty or at reduced duty rates under U.S. free trade agreements or tariff preference programs; such imports may be affected by changes in the general duty rate on the subject goods.

Source of estimated dutiable import data: Commission estimates based on data provided by industry and year-to-date trade in 2005.

## Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?	
		(Yes/No)			
Payless ShoeSource® (Proponent) Curtis Sneden, Director of Government Affairs (785-295-6615)	11/09/05	No	Yes	No	
American Apparel and Footwear Association Nate Herman, Director of International Trade (703-797-9062)	11/15/05	No	No	No	
Footwear Distributors and Retailers of America Peter T. Mangione, President (202-737-5660)	11/18/05	No	No	No	
Rubber and Plastic Footwear Manufacturers Association Mitchell Cooper, Counsel (202-331-1858)	11/07/05	No	No	No	

### **Technical comments:**<sup>3</sup> None.

<sup>&</sup>lt;sup>3</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that U.S. Customs and Border Protection should be consulted prior to enactment of the bill.

# H.R.3391

To suspend temporarily the duty on certain athletic footwear.

### IN THE HOUSE OF REPRESENTATIVES

July 21, 2005

Mr. RYUN of Kansas introduced the following bill; which was referred to the Committee on Ways and Means

## A BILL

To suspend temporarily the duty on certain athletic footwear.

1	Be it enacted by the Senate and House of Representa-							
2	tives of the United States of America in Congress assembled,							
3	SECTION 1. CERTAIN ATHLETIC FOOTWEAR.							
4	(a) In General.—Subchapter II of chapter 99 of							
5	the Harmonized Tariff Schedule of the United States is							
6	amended by inserting in numerical sequence the following							
7	new heading:							
	" 9902.64.21 Footwear with outer soles of leather or composition leather and uppers of textile materials, valued over \$2.50							

per pair, the foregoing other
than for men or women
(provided for in subheading

6404.20.40) ..... Free

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies to goods entered, or withdrawn from
- 3 warehouse for consumption, on or after the 15th day after

4 the date of the enactment of this Act.

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